

AMENDED IN SENATE JULY 10, 2013

AMENDED IN SENATE JUNE 26, 2013

AMENDED IN ASSEMBLY MAY 8, 2013

AMENDED IN ASSEMBLY APRIL 2, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1079

**Introduced by Assembly Member Bradford
(Principal coauthor: Assembly Member Bocanegra)
(Coauthor: Assembly Member V. Manuel Pérez)**

February 22, 2013

An act to add ~~Sections 7083.1, 7083.2, and Section 63045.1~~ to, *and to add Article 2 (commencing with Section 65150) to Chapter 3 of Division 1 of Title 7 of, the Government Code, relating to economic development.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1079, as amended, Bradford. Economic development: energy management area and plans.

~~The Enterprise Zone Act provides for the designation of zones according to specified criteria, pursuant to which certain entities within each zone may receive regulatory, tax, and other incentives for economic and employment development and private investment.~~

Existing law requires cities and counties to develop and update a general plan, which consists of various elements, including a land use element, a circulation element, a housing element, a conservation element, a noise element, and a safety element.

This bill would authorize a city, county, or city and county to collaborate with an electrical or gas corporation, local publicly owned electric utility, or rural electric cooperative to designate an energy management area, as specified. The bill would authorize a city, county, or city and county to propose one or more energy management plans, developed jointly with an electrical corporation, gas corporation, local publicly owned electric utility, or rural electric cooperative, serving an energy management area, in order to reduce air emissions and to promote economic development, the addition of new business, and the retention of existing businesses in that energy management area. ~~The bill would require the Public Utilities Commission, if the city, county, or city and county has developed jointly with an electrical or gas corporation one or more plan elements that involve special programs to be offered to the energy management area and administered by the electrical or gas corporation to facilitate economic development, to provide expedited review of the proposed jointly developed elements.~~ The bill would require the ~~commission~~ *Public Utilities Commission* to encourage electrical or gas corporations to participate jointly with local agencies in developing, implementing, and administering viable energy management plans for energy management areas, and would prohibit the commission from limiting the role of the electrical or gas corporation that was cooperatively developed in the energy management plan. The bill would require the city, county, or city and county to report the progress of ~~the any~~ plan implementation in its ~~biannual~~ *biennial* report to the Department of Housing and Community Development, as provided.

Under the Bergeson-Peace Infrastructure and Economic Development Bank Act, the California Infrastructure and Economic Development Bank is established within state government for the purpose of funding specified types of infrastructure development projects.

This bill would make a ~~project~~, *project* to promote economic development in energy management areas developed pursuant to an energy management plan in accordance with the ~~bill~~, *bill* eligible for funding through the bank. The bill would require the bank to consider acts it may take, at its discretion, that facilitate the financing of that project.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 7083.1 is added to the Government Code,~~
2 ~~to read:~~

3 ~~7083.1. The Legislature finds and declares all of the following:~~

4 ~~(a) The state should encourage the development of new~~
5 ~~businesses and the retention of existing businesses within~~
6 ~~economically distressed and high-tech industrial and commercial~~
7 ~~areas.~~

8 ~~(b) Energy utility customers can benefit from the addition of~~
9 ~~new business and the retention of existing business through~~
10 ~~increased energy cost certainty.~~

11 ~~(c) Businesses in economically distressed and high-tech~~
12 ~~industrial and commercial areas could benefit through greater~~
13 ~~stability and certainty in the cost of energy services.~~

14 ~~(d) Investor-owned utilities and publicly owned utilities are in~~
15 ~~an optimal position, and should be encouraged to engage in joint~~
16 ~~projects with local governments to provide and administer~~
17 ~~energy-related service alternatives and programs that can promote~~
18 ~~economic development and retention in economically distressed~~
19 ~~and high-tech industrial and commercial areas.~~

20 ~~SEC. 2. Section 7083.2 is added to the Government Code, to~~
21 ~~read:~~

22 ~~7083.2. (a) A city, county, city and county, or other local~~
23 ~~government agency may collaborate with an electrical or gas~~
24 ~~corporation, local publicly owned electric utility, or rural electric~~
25 ~~cooperative to designate an energy management area for which an~~
26 ~~energy management plan would assist with either the stimulation~~
27 ~~of development to revive the local economy or local manufacturing~~
28 ~~of the final product of research and development efforts.~~

29 ~~(b) In designating an energy management area, a city, county,~~
30 ~~city and county, or other local government agency, in collaboration~~
31 ~~with the electrical or gas corporation, local publicly owned electric~~
32 ~~utility, or rural electric cooperative, may consider one or more of~~
33 ~~the following elements:~~

34 ~~(1) Existing industry and commerce.~~

35 ~~(2) Potential for industrial and commercial growth.~~

36 ~~(3) Manufacturing presence and potential for manufacturing~~
37 ~~growth.~~

38 ~~(4) High frequency of businesses liquidating or moving out of~~
39 ~~the area, or both.~~

~~(5) Median household income equal to or less than 65 percent of the statewide median.~~

~~(6) High level of crime as documented by the Automated Regional Justice Information System.~~

~~(7) Existing high-tech and bioscience industry and the potential for growth in this area.~~

~~(e) For purposes of this section, “energy management area” means a geographic area designated by a city, county, city and county, or other local government agency to implement an energy management plan pursuant to this section.~~

~~(d) A city, county, or city and county may propose one or more energy management plans, developed jointly with an electrical corporation, gas corporation, or local publicly owned electric utility, as defined in the Public Utilities Code, or a rural electric cooperative, in order to reduce air emissions and to promote economic development, the addition of new businesses, and the retention of existing businesses in that energy management area.~~

~~(e) The energy management plan shall include, at a minimum, the following:~~

~~(1) An assessment of current energy consumption within the energy management area by energy source and type of users. Examples of users may include commercial, industrial, governmental, individual transport, and product transport.~~

~~(2) In addition to other energy efficiency and management issues that the city, county, or city and county, decides to assess in order to inform the development of specific goals and actions that reduce air emissions and promote economic development, all of the following:~~

~~(A) An electric or natural gas load forecast, developed in coordination with the serving electrical corporation, gas corporation, or local publicly owned electric utility, or rural electric cooperative, that reflects anticipated load growth within the energy management area.~~

~~(B) Consideration of the role that distributed generation, combined with accurately priced utility services, could play in providing greater rate stability and energy cost certainty to aid in economic development, and proposed actions with respect to that role. This assessment shall be developed jointly with the serving electrical corporation, gas corporation, local publicly owned electric utility, or rural electric cooperative.~~

1 ~~(C) An assessment, in consultation with business and industry,~~
2 ~~to identify current and emerging processes and technologies that~~
3 ~~reduce energy consumption and improve energy efficiency.~~

4 ~~(3) A set of measurable energy performance and management~~
5 ~~goals that reduce air pollution and promote economic development,~~
6 ~~and a prioritized list of infrastructure projects, public education~~
7 ~~initiatives, and other actions that the city, county, or city and county~~
8 ~~will undertake to achieve those goals. In addition to these projects~~
9 ~~and actions, the plan shall include:~~

10 ~~(A) Proposed actions, developed jointly with the serving~~
11 ~~electrical corporation, gas corporation, local publicly owned electric~~
12 ~~utility, or rural electric cooperative, for the enhanced use of~~
13 ~~cost-effective energy efficiency and demand-side management in~~
14 ~~existing buildings and the inclusion of energy efficiency measures~~
15 ~~as part of the development of new buildings.~~

16 ~~(B) Proposed actions, developed jointly with the serving~~
17 ~~electrical corporation, natural gas corporation, local publicly owned~~
18 ~~electric utility, or rural electric cooperative, for the development~~
19 ~~of infrastructure, in appropriate areas, to aid in the refueling of~~
20 ~~alternative fuel vehicles, including utility ownership or operation~~
21 ~~of those facilities to provide services to the community.~~

22 ~~(C) Other actions and associated utility services to implement~~
23 ~~the jointly developed energy management plan.~~

24 ~~(4) An identification of government and nongovernment~~
25 ~~impediments to implementing the plan and recommendations on~~
26 ~~how these impediments may be overcome.~~

27 ~~(5) One-year, three-year, five-year, 10-year, and 15-year~~
28 ~~objectives for implementing the plan. These objectives shall be in~~
29 ~~sufficient detail to allow the district to undertake a meaningful~~
30 ~~annual review of the plan's progress.~~

31 ~~(6) (A) Proposed methods to fund the activities included in the~~
32 ~~plan, including funding through utility ratepayer-funded programs~~
33 ~~and financing through the California Infrastructure and Economic~~
34 ~~Development Bank established pursuant to Division 1~~
35 ~~(commencing with Section 63000) of Title 6.7, the California~~
36 ~~Alternative Energy and Advanced Transportation Financing~~
37 ~~Authority established pursuant to Section 26004 of the Public~~
38 ~~Resources Code, or other appropriate sources.~~

39 ~~(B) A city, county, or city and county shall engage with energy~~
40 ~~management area residents, businesses, as well as small business~~

1 technical assistance providers to assist in the identification of joint
2 or collaborative energy efficiency project opportunities, public
3 education activities, and financing opportunities that implement
4 the actions and projects in the plan.

5 (7) The consideration of other related energy plans, mandates,
6 and requirements, and, to the extent possible, means for leveraging
7 opportunities for achieving energy efficiency and sustainable
8 energy production while also not overburdening impacted
9 businesses.

10 (f) (1) If the city, county, or city and county has developed
11 jointly with an electrical or gas corporation one or more plan
12 elements that involve special programs to be offered in the energy
13 management area and administered by the electrical or gas
14 corporation to facilitate economic development, including, but not
15 limited to, energy efficiency, the use of biogas for direct injection
16 into common carrier pipelines, economic development rates,
17 distributed generation, energy storage, and alternative fuel vehicle
18 infrastructure, the Public Utilities Commission shall provide
19 expedited review of the proposed jointly developed elements.

20 (2) The Public Utilities Commission shall encourage electrical
21 or gas corporations to participate jointly with local agencies in
22 developing, implementing, and administering viable energy
23 management plans for energy management areas, and shall not
24 limit the role of the electrical or gas corporation that was
25 cooperatively developed in the energy management plan. The
26 governing boards of local publicly owned utilities and rural electric
27 cooperatives shall encourage joint participation with local agencies
28 and gas corporations in developing, implementing, and
29 administering viable energy management plans for energy
30 management areas.

31 (g) The energy management plan shall consider the development
32 of projects that provide greater certainty of energy costs over a
33 period of up to 15 years for businesses developing in the energy
34 management areas and shall consider applying to the California
35 Infrastructure and Economic Development Bank for financial
36 support of those projects under Section 63045.1.

37 (h) In approving the plan, the city, county, or city and county
38 shall make a finding that there is an equitable distribution of costs
39 and benefits of projects and actions proposed in the plan.

1 (i) ~~The city, county, or city and county shall report the progress~~
2 ~~of the plan implementation in its biannual report to the Department~~
3 ~~of Housing and Community Development pursuant to Section~~
4 ~~7085.1 of the Government Code.~~

5 (j) ~~The act adding this subdivision, establishes state policy on~~
6 ~~energy management plans and, shall not change any prior~~
7 ~~regulation or regulatory decision.~~

8 *SECTION 1. The Legislature finds and declares all of the*
9 *following:*

10 (a) *The state should encourage the development of new*
11 *businesses and the retention of existing businesses within*
12 *economically distressed and high-tech industrial and commercial*
13 *areas.*

14 (b) *Energy utility customers can benefit from the addition of*
15 *new business and the retention of existing business through*
16 *increased energy cost certainty.*

17 (c) *Businesses in economically distressed and high-tech*
18 *industrial and commercial areas could benefit through greater*
19 *stability and certainty in the cost of energy services.*

20 (d) *Investor-owned utilities and publicly owned utilities are in*
21 *an optimal position, and should be encouraged, to engage in joint*
22 *projects with local governments to provide and administer*
23 *energy-related service alternatives and programs that can promote*
24 *economic development and retention in economically distressed*
25 *and high-tech industrial and commercial areas.*

26 ~~SEC. 3.~~

27 *SEC. 2. Section 63045.1 is added to the Government Code, to*
28 *read:*

29 63045.1. A project to promote economic development in energy
30 management areas developed pursuant to an energy management
31 plan in accordance with Section ~~7083.2~~ 65150 shall be eligible
32 for funding under this division. The bank shall consider acts it may
33 take, at its discretion, that facilitate the financing of that project.

34 *SEC. 3. Article 2 (commencing with Section 65150) is added*
35 *to Chapter 3 of Division 1 of Title 7 of the Government Code, to*
36 *read:*

Article 2. *Energy Management Area and Plans*

65150. (a) A city, county, city and county, or other local government agency may collaborate with an electrical or gas corporation, local publicly owned electric utility, or rural electric cooperative to designate an energy management area for which an energy management plan would assist with either the stimulation of development to revive the local economy or local manufacturing of the final product of research and development efforts.

(b) In designating an energy management area, a city, county, city and county, or other local government agency, in collaboration with the electrical or gas corporation, local publicly owned electric utility, or rural electric cooperative, may consider one or more of the following elements:

- (1) Existing industry and commerce.
- (2) Potential for industrial and commercial growth.
- (3) Manufacturing presence and potential for manufacturing growth.
- (4) High frequency of businesses liquidating or moving out of the area, or both.
- (5) Median household income equal to or less than 65 percent of the statewide median.
- (6) High level of crime as documented by the Automated Regional Justice Information System.
- (7) Existing high-tech and bioscience industry and the potential for growth in this area.

(c) For purposes of this section, “energy management area” means a geographic area designated by a city, county, city and county, or other local government agency to implement an energy management plan pursuant to this section.

(d) A city, county, or city and county may propose one or more energy management plans, developed jointly with an electrical corporation, gas corporation, or local publicly owned electric utility, as defined in the Public Utilities Code, or a rural electric cooperative, in order to reduce air emissions and to promote economic development, the addition of new businesses, and the retention of existing businesses in that energy management area.

(e) The energy management plan shall include, at a minimum, the following:

1 *(1) An assessment of current energy consumption within the*
2 *energy management area by energy source and type of users.*
3 *Examples of users may include commercial, industrial,*
4 *governmental, individual transport, and product transport.*

5 *(2) In addition to other energy efficiency and management issues*
6 *that the city, county, or city and county, decides to assess in order*
7 *to inform the development of specific goals and actions that reduce*
8 *air emissions and promote economic development, all of the*
9 *following:*

10 *(A) An electric or natural gas load forecast, developed in*
11 *coordination with the serving electrical corporation, gas*
12 *corporation, or local publicly owned electric utility, or rural*
13 *electric cooperative, that reflects anticipated load growth within*
14 *the energy management area.*

15 *(B) Consideration of the role that distributed generation,*
16 *combined with accurately priced utility services, could play in*
17 *providing greater rate stability and energy cost certainty to aid in*
18 *economic development, and proposed actions with respect to that*
19 *role. This assessment shall be developed jointly with the serving*
20 *electrical corporation, gas corporation, local publicly owned*
21 *electric utility, or rural electric cooperative.*

22 *(C) An assessment, in consultation with business and industry,*
23 *to identify current and emerging processes and technologies that*
24 *reduce energy consumption and improve energy efficiency.*

25 *(3) A set of measurable energy performance and management*
26 *goals to reduce air emissions and promote economic development,*
27 *and a prioritized list of infrastructure projects, public education*
28 *initiatives, and other actions that the city, county, or city and*
29 *county will undertake to achieve those goals. In addition to these*
30 *projects and actions, the plan shall include:*

31 *(A) Proposed actions, developed jointly with the serving*
32 *electrical corporation, gas corporation, local publicly owned*
33 *electric utility, or rural electric cooperative, for the enhanced use*
34 *of cost-effective energy efficiency and demand-side management*
35 *in existing buildings and the inclusion of energy efficiency*
36 *measures as part of the development of new buildings.*

37 *(B) Proposed actions, developed jointly with the serving*
38 *electrical corporation, natural gas corporation, local publicly*
39 *owned electric utility, or rural electric cooperative, for the*

1 *development of infrastructure, in appropriate areas, to aid in the*
2 *refueling of alternative fuel vehicles.*

3 *(4) An identification of government and nongovernment*
4 *impediments to implementing the plan and recommendations on*
5 *how these impediments may be overcome.*

6 *(5) One-year, three-year, five-year, 10-year, and 15-year*
7 *objectives for implementing the plan. These objectives shall be in*
8 *sufficient detail to allow the district to undertake a meaningful*
9 *annual review of the plan's progress.*

10 *(6) (A) Proposed methods to fund the activities included in the*
11 *plan, including funding through utility ratepayer-funded programs*
12 *and financing through the California Infrastructure and Economic*
13 *Development Bank established pursuant to Division 1 (commencing*
14 *with Section 63000) of Title 6.7, the California Alternative Energy*
15 *and Advanced Transportation Financing Authority established*
16 *pursuant to Section 26004 of the Public Resources Code, or other*
17 *appropriate sources.*

18 *(B) A city, county, or city and county shall engage with energy*
19 *management area residents, businesses, as well as small business*
20 *technical assistance providers to assist in the identification of joint*
21 *or collaborative energy efficiency project opportunities, public*
22 *education activities, and financing opportunities that implement*
23 *the actions and projects in the plan.*

24 *(7) The consideration of other related energy plans, mandates,*
25 *and requirements, and, to the extent possible, means for leveraging*
26 *opportunities for achieving energy efficiency and sustainable*
27 *energy production while also not overburdening impacted*
28 *businesses.*

29 *(f) The Public Utilities Commission shall encourage electrical*
30 *or gas corporations to participate jointly with local agencies in*
31 *developing, implementing, and administering viable energy*
32 *management plans for energy management areas. The governing*
33 *boards of local publicly owned utilities and rural electric*
34 *cooperatives shall encourage joint participation with local*
35 *agencies and gas corporations in developing, implementing, and*
36 *administering viable energy management plans for energy*
37 *management areas.*

38 *(g) The energy management plan shall consider the development*
39 *of projects that provide greater certainty of energy costs over a*
40 *period of up to 15 years for businesses developing in the energy*

1 *management areas and shall consider applying to the California*
2 *Infrastructure and Economic Development Bank for financial*
3 *support of those projects under Section 63045.1.*

4 *(h) In approving the plan, the city, county, or city and county*
5 *shall make a finding that there is an equitable distribution of costs*
6 *and benefits of projects and actions proposed in the plan.*

7 *(i) If a city, county, or city and county adopts an energy*
8 *management plan, that city, county, or city and county shall report*
9 *the progress of the plan implementation in its biennial report to*
10 *the Department of Housing and Community Development pursuant*
11 *to Section 7085.1 of the Government Code.*

12 *(j) The act adding this section establishes state policy on energy*
13 *management plans and shall not change any prior regulation or*
14 *regulatory decision.*